



American Gilsonite Company

Bonanza Minesite
29950 South Bonanza Highway
Bonanza Utah 84008 • Phone (435) 789-1921 • Fax (435) 789-1956

File 4647/010
cc: Paul

Mr. Paul B. Baker
State of Utah, Division of Oil, Gas and Mining
P.O. Box 145801
Salt Lake City, UT 84114-5801

October 18, 2005
Re: Uintah County Road Materials

RECEIVED

OCT 19 2005

DIV. OF OIL, GAS & MINING

CERTIFIED MAIL – Return Receipt Requested

Dear Mr. Baker,

Please find attached a copy of the information American Gilsonite Co. (AGC) has received from Uintah County regarding the removal of material from AGC lands to improve County roads.

We just wanted to keep you informed on this matter, as the County will be disturbing some of AGC lands.

Best regards,

A handwritten signature in black ink, appearing to read "Jared Jackson".

Jared Jackson
Senior Engineer
American Gilsonite Company

Cc: Dave Lewis, VP of Operations – AGC

RECEIVED

OCT 19 2005

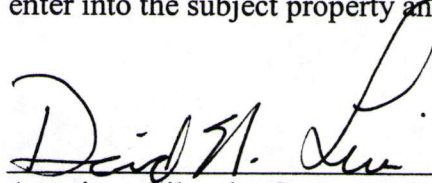
DIV. OF OIL, GAS & MINING

MEMORANDUM OF UNDERSTANDING
REGARDING TRANSFER OF GRAVEL/ROAD BASE MATERIAL FROM
AMERICAN GILSONITE COMPANY TO UINTAH COUNTY

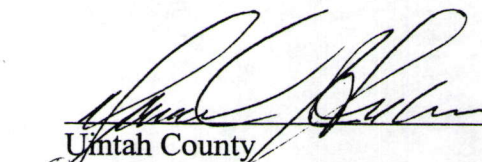
The parties hereto, American Gilsonite Company (American Gilsonite), a corporation licenced to do business in the State of Utah and Uintah County (the County), a political subdivision of the state of Utah, wish to enter into an agreement wherein American Gilsonite agrees to allow the County to enter onto properties owned by it in Uintah County and to remove materials which the County will use for the benefit and improvement of the County roads system in the area. Said improvement will benefit both parties hereto.

It is the intention of the parties to enter into a formal agreement which defines the exact location of the property and the terms and conditions of the removal, and thereafter the rehabilitation of the property in question.

It is in the best interests of both parties that the County proceed immediately with initial extraction of some material prior to the formalization of the above referenced agreement, therefor permission is given for 30 days from the date hereof to the County from American Gilsonite to enter into the subject property and to begin extraction of the material.


American Gilsonite Company

Dated 10-11-05


Uintah County

Dated 10-11-05

GRAVEL LOCATION REQUESTED
FROM THE AMERICAN GILSONITE COMPANY
NW/4,NW/4, SEC 13, T12S R25E

APROXIMATE AREA UINTAH COUNTY HAS AN INTEREST IN.

Note To User:
This map does NOT represent a legal land survey,
and shall NOT be used as a substitute for a legal land survey.
Land Status within Uintah and Ouray Reservation
may be subject to judicial interpretation.
Every effort has been made to ensure for accuracy and content,
however, Uintah County makes no warranty
with respect to the accuracy, completeness,
or usefulness of this map or consequential damages
resulting from the use or misuse of this map
or any of the information contained herein.

This map was compiled and prepared from the following sources:
1:24,000 scale Quadangle sheets
1:100,000 scale BSA general edition-1989 maps
1:100,000 scale BLM Land Status maps
data resolved from A.G.R.C.
(Automated Geographic Reference Center)

Map Projection: North American Datum 1983 (NAD 83),
StatePlane Utah Central.

